



Proposed Terms of Relationships and Agreements Among New Entities



New PREMERA & Foundation Shareholder Relationship

Purpose

- Receive and sell stock
- Distribute proceeds to the named charitable organizations
- No management/operational control of PREMERA

**Foundation
Shareholder**

Charter Documents

- Board composition and director qualifications
- Board elections
- Permitted & prohibited purposes
- Quorum & manner of acting

Voting Trust

- BCBSA requirements
- Shareholder voting rights exercised at New PREMERA Directors' direction
- Divestiture of New PREMERA stock
- Standstill re: hostile takeover, change in control, shareholders meetings, etc.

Registration Rights

- Demand rights
- Right of purchase by New PREMERA
- "Piggy-back" registrations
- "Drag-along" rights

Indemnification

- Tax & non-tax liabilities

Excess Share Escrow

- Like Voting Trust provisions

**New
PREMERA**



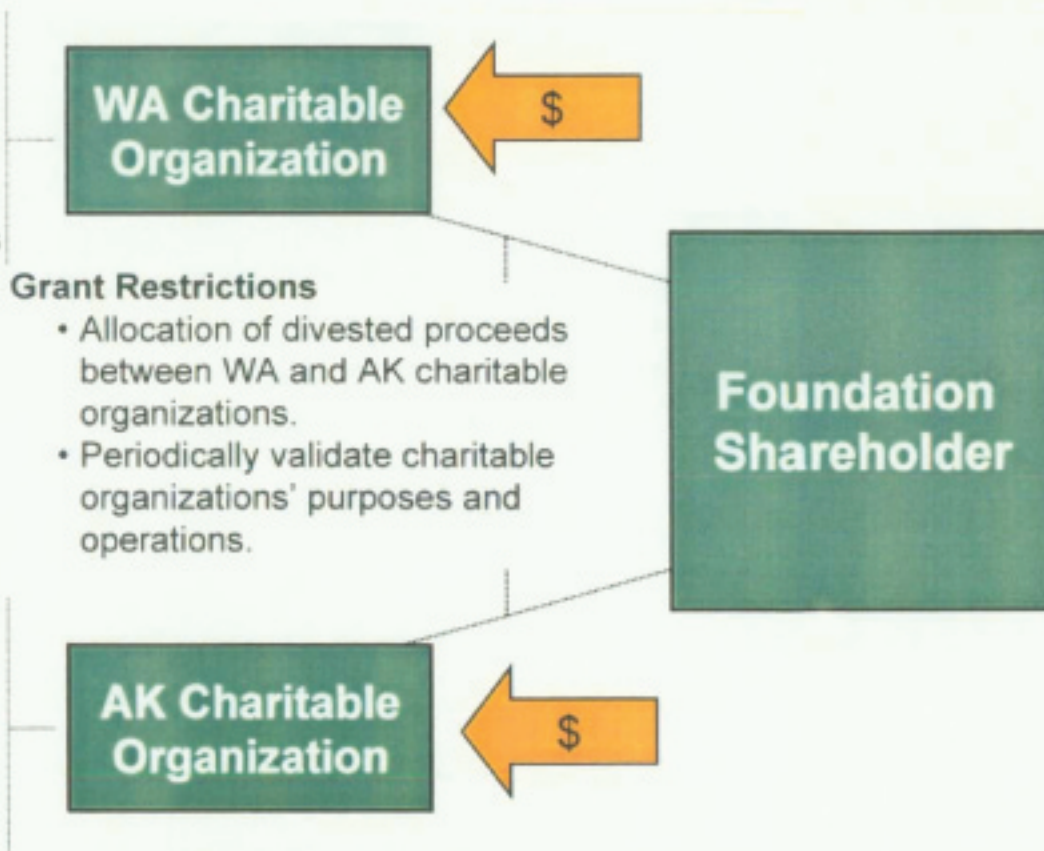
Foundation Shareholder & Charitable Orgs. Relationship

Charter Documents

- Purpose: promote health initiatives
 - Prohibited purposes
- Tax-exempt
- Governance structure: TBD
- Board composition limitations
 - No PREMERA representation
 - Other limitations
- PREMERA name attribution

Grant Restrictions

- Allocation of divested proceeds between WA and AK charitable organizations.
- Periodically validate charitable organizations' purposes and operations.



New PREMERA Relationships

